

ISETAN (SINGAPORE) LIMITED

(Company Registration No.: 197001177H)
(Incorporated in Singapore)
(the “Company”)

MINUTES OF THE 50th ANNUAL GENERAL MEETING HELD ON FRIDAY, 28 APRIL 2021 AT 10.00 A.M. VIA ELECTRONIC MEANS

ATTENDANCE

PRESENT VIA ELECTRONIC MEANS

BOARD OF DIRECTORS	: Mr. Toyohiko Tanaka Mr. Koji Oyama Associate Professor Victor Yeo Chuan Seng Ms. Lim Bee Choo Mr. Richard Tan Chuan-Lye	Chairman of the Board Managing Director Lead Independent Director Independent Director Independent Director
INDEPENDENT AUDITOR	: Ms. Chua Lay See	PricewaterhouseCoopers LLP
COMPANY SECRETARY	: Mr. Lun Chee Leong	Lee & Lee
SHARE REGISTRAR	: Ms. Corin Fok	M&C Services Private Limited
SCRUTINEER	: Ms. Poh Yi Fang	Ardent Business Advisory Pte. Ltd.
BY INVITATION	: Mr. Ei Kanefuji Mr. Gerard Goh Mr. Loh Kah Leong Mr. Tong Shu Lee Mr. Gerard Cheng Mr. Yew Kai Ping Ms. Sandra Ng Mr. James Che Mr. Aaron Foo Mr. Simon Chin Mr. Gerald Lim Wee Lee Ms. Ang Siew Kim Mr. Peter Teng Mr. Chua Boon Aik Ms. Michelle Khoo Ms. Lim Ern Le Mr. Dominic Chee Mr. Tomohisa Sakabe	Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited PricewaterhouseCoopers LLP Lee & Lee Lee & Lee Translator

SHAREHOLDERS PRESENT VIA LIVE WEBCAST OR AUDIO BROADCAST ARE SET OUT IN ATTENDANCE RECORDS MAINTAINED BY THE COMPANY.

MINUTES

Welcome

1. The chairman of the Board of Directors of the Company (the “**Board**”), Mr. Toyohiko Tanaka (“**Mr. Tanaka**”), extended a warm welcome to all shareholders of the Company (“**Shareholders**”) who had joined the 50th Annual General Meeting of the Company (the “**Meeting**”) by audio-visual webcast and audio only means.

Quorum

2. It was noted that the Company Secretary had confirmed that a quorum was present for the Meeting.

Introduction

3. Mr. Tanaka informed the Meeting that the Board had proposed Associate Professor Victor Yeo Chuan Seng to be the chairman of the Meeting (the “**Chairman**”). The Chairman took the Chair and called the Meeting to order. The Chairman then introduced the other Directors, Company Secretary and Independent Auditor who were present by video conference.
4. The Chairman informed the shareholders that:
 - (a) an audio recording of the Meeting would be made to assist in the preparation of the minutes;
 - (b) with regard to the sequence of the Meeting, Mr. Tanaka, the chairman of the Board, and Mr. Koji Oyama (“**Mr. Oyama**”), the Managing Director, would each make an address to Shareholders in turn;
 - (c) the Company had published on SGXNet the responses to the substantial and relevant questions related to the resolutions submitted in advance by Shareholders and the Securities Investors Association (Singapore), and as such, such questions were not going to be addressed at the AGM;
 - (d) in line with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, all Shareholders must have duly appointed the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wished to exercise his/her/its voting rights at the Meeting, and as such, the Chairman had been appointed as proxy by a number of Shareholders and will vote in accordance with the specific instructions of those Shareholders;
 - (e) the Board had appointed Ardent Business Advisory Pte. Ltd. as scrutineers.

5. The Notice convening the Meeting dated 6 April 2021 and released on SGXNet and the Company's corporate website on the same date was taken as read.

Address by Mr. Tanaka, Chairman of the Board

6. The Chairman invited Mr. Tanaka to address the shareholders.
7. Mr. Tanaka informed the Shareholders that Mr. Sakabe Tomohisa will be assisting to present his address in English.
8. Mr. Tanaka's address was accompanied by a slideshow presentation, which has been uploaded on SGXNet since 28 April 2021.
9. Mr. Tanaka's address reported that:
 - (a) Under the Company's retail segment, sales of goods and consignment income for 2020 were severely affected by the Circuit Breaker measures, safe distancing measures, and poorer consumer sentiments. As the pandemic kept many people indoors, consumer habits have changed, with more people turning to online shopping. The Managing Director will elaborate further on these points as well as the Company's responses and strategies moving forward.
 - (b) The renovations at the Isetan Scotts store have been completed in November 2020, in time for the Christmas festive season last year. The Isetan Scotts store now houses new Food and Beverage tenants, and focuses on the core areas of Food, Beauty and Fashion. The Company is closely monitoring the performance of the Isetan Scotts store and will fine tune its offerings moving forward.
 - (c) Under the Company's investment property business, the Company's tenants at Isetan Wisma Atria who are consumer-facing were similarly affected by the pandemic. As the Company co-exists in a symbiotic relationship with its tenants, rental rebates were given to the tenants to help tide them over the difficult period. One of the Company's main tenants also vacated the premises and the Covid-19 situation presents a challenge in finding suitable replacement tenants. As a result, the Company's 2020 rental revenues at Isetan Wisma Atria were affected. As mentioned in the Company's announcement dated 22nd January 2021, the Company is currently exploring its options regarding Isetan Wisma Atria. The Managing Director will elaborate further in his speech.
 - (d) Rental rebates were also similarly given out to the Company's tenants at the Company's warehouse in Kallang Pudding which is partially leased out.
 - (e) For 2021, the Singapore Government is forecasting gross domestic product ("GDP") growth to be around 4 to 6%. However, the Singapore Government has cautioned that retail trade is not likely to return to pre-Covid-19 levels by the end of 2021 due to a slower recovery in visitor arrivals and capacity limitations posed by safe distancing measures. Nevertheless, there is a sense of growing confidence as Singapore has managed to keep its Covid-19 cases low, and Singapore's national vaccination programme is now underway.
 - (f) Moving ahead, the Company's priority is the health and safety of its customers, staff, and the rest of the Isetan community. Apart from its brick-and-mortar retail business, the Company is

devoting more resources on e-commerce in order to offer its customers more touch points and a better omni-channel experience.

- (g) The Company will continue to look at ways to improve the performance of its stores and explore new avenues of growth apart from its existing department stores and investment property businesses. The Company will also adopt a prudent approach in terms of its financial investments in view of the current pandemic situation.
 - (h) The Company is exploring options regarding Isetan Wisma Atria. A few key factors that the Company has considered in its review include the remaining leasehold interest, the future potential of the property to generate rental income, the effect of surrounding developments on rental yields, opportunity costs, and the price at which the property may fetch in the immediate future.
 - (i) The Company looks forward to all stakeholders' support as it continues to steer through this pandemic.
10. Mr. Tanaka handed over the conduct of the Meeting back to the Chairman at the end of his address.

Address by Mr. Oyama, Managing Director

11. The Chairman invited Mr. Oyama to address the shareholders.
12. Mr. Oyama address was accompanied by a slideshow presentation, which has been uploaded on SGXNet since 28 April 2021 (the "**MD's Slides**").
13. Mr. Oyama's address reported that:
- (a) **Results for FY2020:** Under the Income Statement of the Company for 2020, the Company was impacted by the Covid-19 pandemic and measures taken by the government in response to the pandemic. The Revenue of the Company was \$77.160 million, a 31.0% decrease versus the previous year. Other Income was \$16.770 million, a 60.5% increase over the previous year. Total expenses were \$112.491 million, a 24.3% decrease from the previous year. The net loss after tax was \$20.225 million, a 23.8% decrease from the previous year.

In respect of Slide 6 of the MD's Slides, the chart therein shows the trend of Revenue from the Retail and Property segments of the Company from 2018 to 2020. Mr. Oyama emphasized that the decrease in revenue for 2019 was mainly due to the renovation of the Company's Isetan Scotts Flagship Store which commenced in June 2019 but was delayed and completed in November 2020. The revenue for the 2020 decrease versus the previous year was mainly due to the 10 weeks closure of the Company's department stores, the prohibition of external sales events, and the closure of Isetan Jurong East store. This is also reflective of the continuing challenges in the retail industry.

In respect of Slide 7 of the MD's Slides, the main variances of the income statement were due to the following: (a) the termination of the lease for the Company's Jurong East store which correspondingly reduced expenses; (b) the impact of the Covid-19 pandemic and the measures put in place by the government which further contributed to a decline in revenue; (c) Other Income increasing mainly due to government grants and rental rebates from landlords;

(d) for expenses, without taking into consideration the impairments and provision for onerous contracts, the decrease, apart from the closure of the Jurong East Store, came mainly from the reduction of depreciation taken together with the adoption of SFRS (I) 16 on Leases; and (e) the Impairments and provision of onerous contracts arose from further anticipated losses in the retail segment exacerbated by the slow and uneven post Covid-19 recovery.

In respect of Slide 8 of the MD's Slides, under the Segment Information for 2020, the Retail segment registered a loss of \$24.69 million, the Property segment registered a profit of \$2.45 million, Other income was \$3.089 million, and share of profit of an associate was \$82,000.

In respect of Slide 9 of the MD's Slides, the chart therein showed the net losses from FY2018 to FY2020 and the effect of the impairment of right of use assets, property, plant and equipment and provision for onerous contracts in the relevant years. Without the impact of the impairments and provision for onerous contracts, the retail segment losses have reduced from -\$6.139 million in 2019 to -\$2.086 million in 2020.

In respect of Slide 10 of the MD's Slides, the MD explained the main variances in the Retail Segment as follows: (a) the decrease in Sales to external customers, apart from the closure of the Company's Jurong East store, was due to the impact of Circuit Breaker measures and post-Covid-19 restrictions; (b) similarly, the decrease in Other Rental Income was due to the loss of rental revenue from the tenant Sephora from Isetan Jurong East; (c) as part of the Covid-19 support measures, the Company received a combined total of \$10.837 million relating to grants from the Singapore Government and rental rebates from landlords; and (d) the performance of the Retail segment (before impairment) registered an improvement of \$4.053 million, helped by government grants and rental concessions from the Company's landlords, as well as the effect from the closure of the Company's loss-making Isetan Jurong East store.

In relation to Slide 11 of the MD's Slides, the chart therein showed the net profit from FY2018 to FY2020 for the Property segment which consists of Isetan Wisma Atria and Kallang Pudding.

In relation to Slide 12 of the MD's Slides, the major variances in the Property segment were mainly due to the reduction in rental income in compliance with the Covid-19 (Temporary Measures) (Amendment) Act that was passed on 5 June 2020 which provides a rental relief framework for eligible Small and Medium Enterprises.

- (b) **COVID-19 Impact and Updates:** The Circuit Breaker measures imposed by the Singapore Government and the suspension of the Company's store operations (except the Isetan Scotts supermarket) from 7 April to 18 June 2020 impacted the Company's revenue. The revenue from the Company's investment property at Wisma Atria was similarly affected as the mall was closed during the same period except for the provision of essential services. In Phase 2 of the re-opening of the economy, the Company had to adhere to the safe management measures imposed by the Singapore Government. As a result of these measures and the prohibition of external sales events, revenue and other income had been negatively impacted during Phase 2. For the Isetan Scotts store, renovations were completed in November 2020 after a seven (7) month delay.

After the closure of the Company's supermarket at Isetan Jurong East, the remaining supermarket at Isetan Scotts continues to operate and has contributed positively to the

Company. Due to the Circuit Breaker measures which kept many people indoors, more customers have turned to online shopping. As a result, there was a surge in demand, and the Company had to make adjustments to its operations by increasing the number of delivery slots on its online platform and re-allocate manpower from the department store to the supermarket. The Company's online supermarket sales grew exponentially during the Circuit Breaker period, and to date the Company is registering double digit growth. The Company will continue to put up more items from the department store as online demand stays strong. The Company has also expanded its online presence by partnering with Lazada since October 2020.

Despite the very severe financial impact due to COVID-19, the Company has provided continuous support to its customers, suppliers, tenants, staff, and shareholders. With business conditions still being very challenging due to the uneven recovery from the COVID-19 pandemic for the foreseeable future, the Company made further impairment provisions for Property, Plant and Equipment, and right-of-use assets for 2020. With the decline in government grants and no further rental concessions, the Company faces challenges ahead.

- (c) **Medium Term Management Plan:** The Company continuously reviews the performance of its stores. Last year, the Company's Isetan Jurong East store was closed as it was loss-making. As mentioned by Mr. Oyama earlier, the Isetan Scotts store was revamped following its supermarket renovation. Another initiative of the Company is to strengthen its online business which it did by starting its own mobile application in June 2019. This mobile application has helped the Company's e-commerce and made it easier and more convenient for customers to shop. The Company has enhanced its e-commerce website by adding a wider assortment of merchandise as well as partnering with Lazada since last year to widen its reach to new customers. The Company has also embarked on the digitalisation of its operations by issuing e-vouchers and introducing payment options like paying with Grabpay.

Due to the impact of COVID-19, the Company's renovation of the Isetan Scotts store was delayed for about half a year but was finally completed in November 2020. After the remodelling, the Company is monitoring the performance of the Isetan Scotts store.

In relation to Isetan Wisma Atria, the valuation as at 31 December 2020 declined by 1.78% as compared to 31 December 2019. On 22 January 2021, the Company announced that it is exploring options regarding the property which may include appointing marketing agents and valuers. The Company has since shortlisted a few marketing agents to assist it with the matter and is currently evaluating which marketing agent to appoint. For Level 4 of Isetan Wisma Atria, the Company is actively engaging with marketing agents to look for prospects.

In relation to Slide 26 of the MD's Slides, as the Company enters into 2021, it will be completing Phase 3 of its New Enterprise Resource Planning ("ERP") integration which will help to take Isetan Singapore into the future. All stores will be implementing new retail systems which will be able to help streamline processes on the sales floor. I-Online will also take on a new transformation and include new technology to further enhance customer experience. The Isetan Privilege App will also be upgraded and, together with the new ERP, will enable the Company to provide customers with a unified and seamless shopping experience, linking the online and offline shopping experience. For physical stores, by introducing digital memberships, there will be fewer paper vouchers and newsletters issued, hence being more environmentally friendly. For the new I-Online, the Company will implement an Artificial Intelligence ("A.I.") system to create personalised experiences for customers and will also

prioritise bestseller items. I-Online will also feature the same items, same prices and same promotions as the physical stores. The use of third-party online shopping platforms will enable the Company to reach out to new shoppers to join its membership programme. By offering vouchers to shop in Isetan stores, the Company will have the ability to convert those new members to Isetan customers.

In relation to Slide 27 of the MD's Slides, the Company has partnered with Lazada in 2020 to increase its online presence and sales. As of January 2021, the Company has more than 2,800 stock-keeping units ("**SKU**") and is constantly growing the listings. Additionally, the Company has more than 3,200 followers on Lazada that have a high potential to become Isetan Members.

In relation to Slide 28 of the MD's Slides, the Company has upgraded the I-Online store. The layout of the website is more attractive and easier to navigate. The website also features a QR code login for existing members. Furthermore, customers will be able to use their e-vouchers on the online store and in physical stores, making it easier for them to track and use their vouchers. The Company will also be implementing A.I Personalisation, Recommendation and Automation Systems. All of this is made possible with the new ERP system in place.

In relation to Slide 29 of the MD's Slides, the diagrams therein displayed that the implementation of the A.I system will further improve customer experience. This A.I system will create personalised experiences for customers based on their online and offline shopping preferences. For example, if the customer often shops for makeup, they will see more makeup recommendations on I-Online. With recommendation optimisation, if the customer is looking at alcohol products, the website will recommend similar types of alcohol. Furthermore, the Company is able to promote products based on a customer's past purchases on their homepage. Lastly, with precise segmentation, the Company will better understand its customers' preferences.

In relation to Slide 30 of the MD's Slides, the diagrams therein displayed the improvements for the Isetan Privilege App. The Isetan Privilege App is linked to I-Online and Isetan stores, revolving around the new ERP. With the Isetan Privilege App, the Company will be able to send targeted push notifications and be able to better highlight store promotions on the homepage of the Isetan Privilege App. The Company has also included referral codes to encourage members to get their friends to sign up to get rewards. Digitalisation is an important aspect of the Company's strategy for the future.

- (d) Moving forward, the Company will continue to challenge itself to do its best and look forward to the Shareholders' continued support.
14. Mr. Oyama handed over the conduct of the Meeting back to the Chairman at the end of his address.
 15. The Chairman proceeded with the business of the Meeting.

Ordinary Resolution 1 – Adoption of Directors’ Statement and Accounts

16. The Directors’ Statement and Accounts for FY2020 together with the Auditor’s Report thereon were taken as read.
17. The following Ordinary Resolution 1 was duly proposed by the Chairman:-

“To receive and adopt the Directors’ Statement and Accounts for the financial year ended 31 December 2020 together with Auditor’s Report thereon.”
18. The total number of votes cast was 25,198,875. The number of votes cast “FOR” Resolution 1 was 25,193,875, representing 99.98% of the total votes cast. The number of votes cast “AGAINST” Resolution 1 was 5,000, representing 0.02% of the total votes cast.
19. The Chairman declared Ordinary Resolution 1 carried by a majority vote.

Ordinary Resolution 2 – Re-Election of Mr. Richard Tan Chuan-Lye as Director

20. The following Ordinary Resolution 2 was duly proposed by the Chairman:-

“To re-elect Mr. Richard Tan Chuan-Lye as a Director who will be retiring under Regulation 96 of the Company’s Constitution, and who, being eligible, has offered himself for re-election.”
21. The total number of votes cast was 25,198,875. The number of votes cast “FOR” Resolution 2 was 25,193,875, representing 99.98% of the total votes cast. The number of votes cast “AGAINST” Resolution 2 was 5,000, representing 0.02% of the total votes cast.
22. The Chairman declared Ordinary Resolution 2 carried by a majority vote.

Ordinary Resolution 3 – Re-Election of Ms. Lim Bee Choo as Director

23. The following Ordinary Resolution 3 was duly proposed by the Chairman:-

“To re-elect Ms. Lim Bee Choo as a Director who will be retiring under Regulation 96 of the Company’s Constitution, and who, being eligible, has offered herself for re-election.”
24. The total number of votes cast was 25,198,875. The number of votes cast “FOR” Resolution 3 was 25,193,875, representing 99.98% of the total votes cast. The number of votes cast “AGAINST” Resolution 3 was 5,000, representing 0.02% of the total votes cast.
25. The Chairman declared Ordinary Resolution 3 carried by a majority vote.

Ordinary Resolution 4 – To approve Ms. Lim Bee Choo’s continued appointment as an Independent Director by Members

26. The following Ordinary Resolution 4 was duly proposed by the Chairman:-

“To approve Ms. Lim Bee Choo’s continued appointment as an Independent Director by Members.”

27. The total number of votes cast was 25,198,875. The number of votes cast "FOR" Resolution 4 was 25,193,875, representing 99.98% of the total votes cast. The number of votes cast "AGAINST" Resolution 4 was 5,000, representing 0.02% of the total votes cast.

28. The Chairman declared Ordinary Resolution 4 carried by a majority vote.

Ordinary Resolution 5 – To approve Ms. Lim Bee Choo as Independent Director by Members (excluding Directors and Managing Director and their associates)

29. The following Ordinary Resolution 5 was duly proposed by the Chairman:-

"To approve Ms. Lim Bee Choo's continued appointment as an Independent Director by Members (excluding the Directors and Managing Director ("MD") of the Company, and associates of such Directors and MD)."

30. The total number of votes cast was 25,198,875. The number of votes cast "FOR" Resolution 5 was 25,193,875, representing 99.98% of the total votes cast. The number of votes cast "AGAINST" Resolution 5 was 5,000, representing 0.02% of the total votes cast.

31. The Chairman declared Ordinary Resolution 5 carried by a majority vote.

Ordinary Resolution 6 – Approval of Directors' Fees for the Financial Year Ending 31 December 2021

32. The following Ordinary Resolution 6 was duly proposed by the Chairman:-

"To approve the payment of Directors' fees of up to S\$165,000/- for the financial year ending 31 December 2021 (payable quarterly in arrears) (for the financial year ended 31 December 2020: S\$165,000)."

33. The total number of votes cast was 25,198,875. The number of votes cast "FOR" Resolution 6 was 25,192,000, representing 99.97% of the total votes cast. The number of votes cast "AGAINST" Resolution 6 was 6,875, representing 0.03% of the total votes cast.

34. The Chairman declared Ordinary Resolution 6 carried by a majority vote.

Ordinary Resolution 7 - Re-Appointment of Auditors

35. The following Ordinary Resolution 7 was duly proposed by the Chairman:-

"To re-appoint PricewaterhouseCoopers LLP, the existing auditors of the Company, as Auditors to hold office until the conclusion of the next general meeting of the Company and to authorise the Directors to fix their remuneration."

36. The total number of votes cast was 25,198,875. The number of votes cast "FOR" Resolution 7 was 25,192,000, representing 99.97% of the total votes cast. The number of votes cast "AGAINST" Resolution 7 was 6,875, representing 0.03% of the total votes cast.
37. The Chairman declared Ordinary Resolution 7 carried by a majority vote.

Any Other Business

38. The Chairman noted that the Board had not received notice of other business that may be transacted at the Meeting.
39. The Chairman thanked all Shareholders for their attendance and support.

There being no other matters, the Meeting then ended at 10.36 a.m.



VICTOR YEO CHUAN SENG
Chairman of the Meeting